

Fiscal Service, Treasury

§ 316.5

(2) Entered the issue date in the upper right-hand portion of the bond; and

(3) Imprinted the agent's validation indicia in the lower right-hand portion to show the date the bond was actually inscribed. A bond was valid only if an authorized issuing agent received payment therefor and duly inscribed, dated and imprinted validation indicia on the bond.

(d) *Term.* A Series E bond was dated as of the first day of the month in which payment of the purchase price was received by an agent authorized to issue the bonds. This date is the issue date. The bonds mature as shown in § 316.8. The bond may not be called for redemption by the Secretary of the Treasury prior to maturity or the end of any extended maturity period (see paragraph (a) of § 316.8). The bond may be redeemed at the owner's option at any time at fixed redemption values.

(e) *Investment yield (interest).* The investment yield (interest) on Series E bonds is defined in paragraphs (c) and (d) of § 316.8. Beginning in the third month from its issue date, a bond increased in redemption value on the first day of each month, up to and including the thirtieth month from issue date, so as to provide for such period an investment yield of no less than 4 percent per annum, compounded semi-annually. Thereafter, its redemption value increases at the beginning of each successive half-year period. The interest is paid as part of the redemption value.

[57 FR 14276, Apr. 17, 1992, as amended at 70 FR 14941, Mar. 23, 2005]

§ 316.3 Governing regulations.

(a) The regulations in 31 CFR part 315 apply to definitive Series E bonds that have not been converted to book-entry bonds.

(b) The regulations in 31 CFR part 363 apply to definitive Series E bonds that have been converted to book-entry bonds through New Treasury Direct.

[70 FR 14941, Mar. 23, 2005]

§ 316.4 Registration.

Series E bonds were permitted to be registered as set forth in subpart B of 31 CFR part 315, also published as De-

partment of the Treasury Circular No. 530, current revision.

§ 316.5 Limitation on holdings.

(a) *General limitation.* The amount of Series E bonds, originally issued during any one calendar year, that could be held by any one person, computed in accordance with the governing regulations, ranged from \$5,000 (face amount) to \$20,000 (face amount), depending upon the issue date.

(b) *Special limitation for employee savings plans.* A special limitation for employee savings plans was provided, which was \$2,000 (face amount) multiplied by the highest number of participants in any employee savings plan, as defined in paragraph (b)(1) of this section, at any time during the year in which the bonds were issued. The plan had to be established, as set forth below.

(1) *Definition of plan and conditions of eligibility.* (i) The employee savings plan must have been established by the employer for the exclusive and irrevocable benefit of employees or their beneficiaries, afforded employees the means of making regular savings from their wages through payroll deduction, and provided for employer contributions to be added to such savings.

(ii) The entire assets thereof must have been credited to the individual accounts of participating employees and the assets so credited could be distributed only to the employees or their beneficiaries, except as otherwise provided herein.

(iii) Series E bonds were to be purchased only with assets credited to the accounts of participating employees and only if the amount taken from any account at any time for that purpose was equal to the purchase price of a bond or bonds in an authorized denomination or denominations, and shares therein were credited to the accounts of the individuals from whom the purchase price thereof was derived, in amounts corresponding with such shares. For example, if \$37.50 credited to the account of John Jones was commingled with funds credited to the accounts of other employees to make a total of \$7,500, with which a Series E bond in the denomination of \$10,000